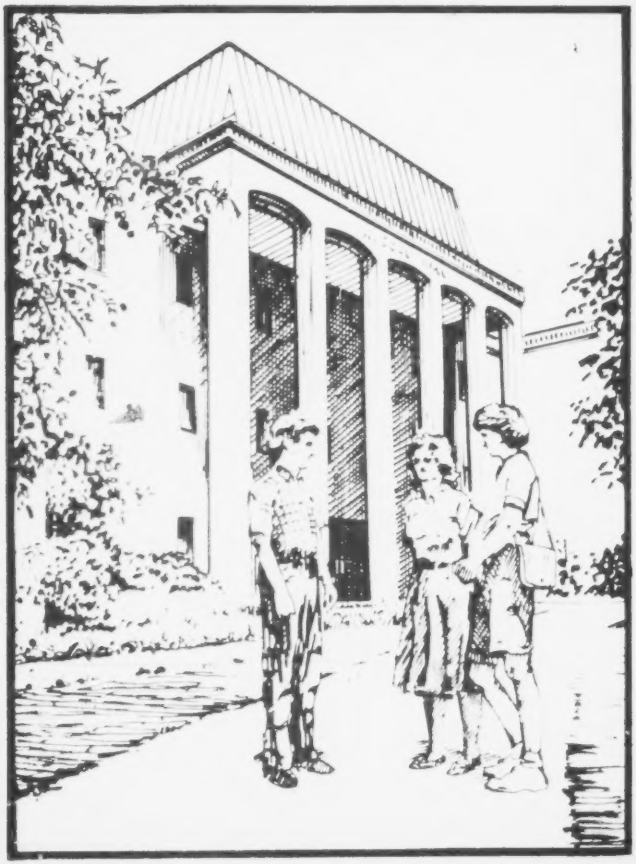
MISSISSIPPI BUSINESS REVIEW



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ABCER MEMBER

Structuring a National Economic Policy

By
I. Robert Parket, Ph.D.
Joseph Eisenberg, Ph.D.

Proposals calling for a national industrial policy are currently emanating from many different sources. These proposals cover the spectrum from merely recommending business deregulation, on one side, to government central planning and control on the other. In between are calls for the relief of the smokestack industries, government protection of high technology industries, and a myriad of other approaches for an industrial policy which will enable the United States to compete in the world market.

In this paper we will present a politically feasible approach designed to succeed in its objectives and, at the same time, to elict the cooperation of the involved parties. The main thrust is toward a national policy which will revitalize business and keep it strong in global markets.

THE NEED FOR BUSINESS REVITALIZATION

There is little doubt that American business must be revitalized in order for the United States economy to regain and maintain economic health. Plans, policies, goals and strategies aimed at other than business sectors, while important, only touch the top of the iceberg. The vitality of the United States economy is totally intertwined with business strength manifested through productive output and profits. In order to recapture a share of its lost domestic market, and to make inroads in the international market, American corporations must develop strategies within a national policy which will lead them through a metamorphosis and allow them to emerge as technologically superior, marketing-skilled and human-oriented business organizations.

Throughout the 1970's, American industry was inflicted with many problems and its vaunted position was allowed to decay to the point where a number of its traditional prime industries tottered on the brink of failure while foreign competitors gobbled up huge shares of the domestic market. Additionally, in order to compensate for higher United States wage costs, many American manufacturing operations were transferred overseas, further weakening a stagflated economy and a beleaguered business state.

Despite the economic recovery which began in the Spring of 1983, American industry has reached a watershed. Beset with a shrinking market and unrelenting foreign competition; American business must take advantage of the improving economic state and act to once again establish itself in the international arena or else accept that its zenith has passed. It is doubtful whether business or the American public would willingly acquiesce to this latter course as is would, no doubt, also relegate the United States to a second rate power and continue indefinitely the repeated inflation-recession cycles which have plagued the nation since 1970. One approach has been tried and two have been proposed, separately, to improve business' position:

- Many managers have utilized and plan to continue using corporate strategic planning as a means to guide them on the right path in their planning and decision-making process.
- Other executives and political figures desiring to stem the tide of foreign competition have focused on the aging United States smokestack industries and lagging produc-

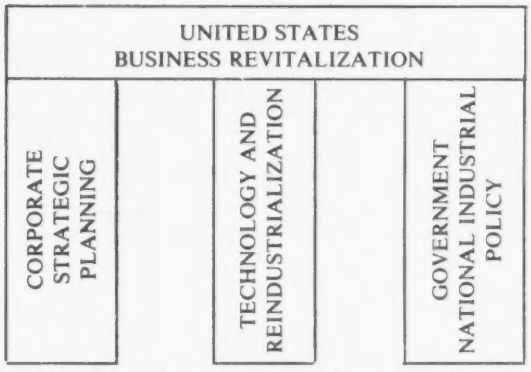
tivity. They strive for a reindustrialization of the United States.

- Still other business leaders, eager to find a solution to their dilemma, have embraced a government national industrial policy. They believe that government programs will stimulate economic growth and a business resurgence.

A JOINT STRATEGIC APPROACH

Neither corporate strategic planning, reindustrialization, nor a government national policy, alone, however, will prove sufficient to solve business' economic maladies and make American industry competitive again both in the domestic and international markets. Each, by itself, emphasizes the futility of a singular approach. A multifacted strategy combining all three approaches, on the other hand, will move toward a synergistic solution and will enhance business revitalization. (Figure 1).

FIGURE 1



To bring the picture to fruition, to rejuvenate American business, the United States government, private industry, and labor must cooperatively work together to implement joint strategic planning and national industrial policy, in partnership, in order to enhance business and the economy. This paper proposes a conceptual framework for achieving a national industrial policy which will have the necessary political support of government, business and labor.

CORPORATE STRATEGIC PLANNING

THE CONCEPT OF BUSINESS STRATEGY

Managing multibusiness, multinational companies requires the development of corporate strategic planning in order to achieve long-range goals and objectives, to establish contingency plans, and to cope with alternative future environments.

The basic strategic planning process consists of:

1. Appraisal of the company's present position.
2. Analysis of the economic, business, competitive, political, social, and cultural environments.
3. Assessment of the opportunities and obstacles.
4. Formulation of corporate goals and objectives.
5. Evaluation of the company's strengths and weaknesses.
6. Development of corporate strategic plans.
7. Establishment of bench marks and formulation of a feedback system to measure progress.
8. Institution of policies and procedures to maintain control over the plan's operations.
9. Developing contingency plans to accomodate different potential environments.

Taking into account the ability of the corporation to adapt to future changes in the economic, business, social, and political environments is one of the most important parts of strategic planning. This adaption mechanism consists of forecasting and then responding to changes in the company's future operating environments, preparing for changes in the company's future business activities, and planning how the company will be managed to successfully meet the new conditions.

STRATEGIC PLANNING AND COMPETITIVE ANALYSIS

In the face of interdependence of the United States and world economies, and changes in national and international competition, it is essential for business planning and strategies to be competitively oriented. The responsiblity for making competitive analysis one of the focal points of strategic planning lies with top management and presents it with a ceaseless challenge. "In sum, as world business condition have become more difficult in recent years, the technological and international competitive environment has grown substantially tougher. To contend with this, our top management have consistently included among the three or four priority planning challenges for each year, one that deals with an important pervasive competitive threat."[1]

Competition, intraindustry and interindustry, domestic and international, within the established industrialized powers, and from developing nations, intensifies daily creating increased stresses on management. It is essential that management be alert to international competition in domestic markets and adapt to this change in the current and future economic environment.

WEAKNESSES IN CORPORATE STRATEGTIC PLANNING

It is becoming clear that many corporate strategic plans are not well conceived and may end in failure because managers often do not recognize that a sound strategic plan not only allows for change but must adapt to change. Strategic plans will fail if they are static rather than dynamic.[2]

Lack of strategic planning. The auto industry serves as an example of an industry which did not address itself to a changing environment. Negligence in strategic planning, which should have included the earlier production of quality, fuel efficient vehicles, has led to people buying imported cars with the demanded features at the rate of 28.4% of the U.S. car market.

Short-range outlook. Many U.S. companies concentrate on short-range return on investment and assign long-range strategic plans to the back burner. Short-term corporate strategies are prevalent in many industries because most companies reward those managers who achieve short-range financial goals. Today-oriented compensation does not favor innovation, risk-taking or the introduction of new technology. As an example, the energy companies are moving very slowly and hesitating toward implementing technologies for efficient and widespread use of coal, as the payoff is long-range and investment costly. It was noted at the American Petroleum Institute annual meeting, November 10, 1981, that due to the projected stability in oil prices, the "development of alternative forms of energy would likely be postponed."[3] With the official price of OPEC oil reduced to **$29 per barrel,** this situation has crystalized even further. The present is paramount, the future is being ignored.

Acquisitions. Strategic plans geared to acquisition and safety in diversification, place companies in vulnerable positions when faced with challenges from internally strong and technologically superior competitors. There is little or really no synergy between departments and divisions of many diversified organizations. It is easy to distinguish companies which have grown through unrelated acquisitions and mergers instead of achieving **internal growth** through the development of new technologies and processes. Many diversified companies are only formally combined together, with weak ties among the disparate divisions, and open to competitive attack.

Econometric Models. Many corporations' strategic plans are wedded to econometric models utilizing assumptions and relationships which have not proven effective in forecasting since the middle 1960's. Continuous updates are needed as well as nonquantitative forecasting techniques that do not rely solely on past data. Erroneous forecasts lead to miscalculations in planning for future conditions. The anticipation of and timely reaction to change is the hallmark of a successful business strategy and resultant course of action, and this requires accurate forecasts. More accurate forecasts could be achieved by combining quantitative models with qualitative environmental studies.

REINDUSTRIALIZATION

TECHNOLOGY AND PRODUCTIVITY

Although the United States possesses a high level of technological achievement in many industries, American increases in productivity are lagging behind other industrial countries. For the period 1967-1973 and 1973-1979 Japan had productivity growth of 10.4% and 4.1% respectively, Germany had a 5% growth during both periods, France had a 6.1% and 4.9% growth, whereas American productivity increased at an annual rate of 1.9% during 1967-1973 and 0.7% during 1973-1979. Output per man-hour has declined in many key industries such as motors, generators, primary aluminum and steel. The United States is still first in productivity, but it is rapidly losing its position.

American factories are behind in the introduction of new technological procedures and are not being modernized at the required pace. As an example, steel companies' modernization programs are approximately $2 billion annually, instead of the required $4.4 billion needed to achieve innovative technological progress.[4] Also, most of the investment has been to control pollution, not in modernization. At the same time, Japan and German steel plants are utilizing American technological innovations to produce 50% and 38% of their production respectively.[5] U.S. steel makers developed the basic oxygen steelmaking process which is faster and cheaper to install and more economical to operate than the open hearth process. European and Japanese producers, however, installed the process into their factories more

rapidly than their American counterparts. Consequently, they made inroads into American and other markets because they could produce and supply their customers with a lower cost and better quality steel.

PRODUCTIVITY AND QUALITY

In the early 1970s, several top American corporate executives spoke out about the productivity lag which had already begun to manifest itself. As an example, Richard C. Gerstenberg, Chairman, General Motors Corporation, focused on the problems related to productivity, and stressed that management must take the risk to invest the capital needed to introduce new types of technology. He also noted, however, that capital investment, alone, cannot produce significant productivity gains without the support of labor.[6] It is apparent that management must develop novel approaches to secure labor's cooperation in improving productivity and quality.

The ability to guarantee job security appears to be an important inducement that management can offer in order to encourage worker participation in productivity enhancement. United States job tenure, however, is now less than 5 years, down 50 percent from the 1950s.[7] Compare this figure wtih Japanese life employment in one organization or with the German long-term employment. The worker who knows that his future is dependent upon improving quality and productivity, will have greater interest in his job. Labor's contribution to productivity hinges upon the relationship of management to the worker, the attitude of the worker to his job and whether management offers the worker the appropriate incentive to produce more and better.

Labor's contribution to increased productivity is a vital element in a national industrial policy, and must be coordinated with management's ability and willingness to invest in new technology, to develop strategic plans which can accommodate shifts in the environment and to be strong in all facets of industrial production and marketing. Unfortunately, however, many top executives never have been employed in production line management and have not developed adequate sensitivity in this area. Many incumbent managers are trained to analyze and respond to financial data and do not possess insight into the technical, productivity, and quality operations of their companies.

A concerted effort must be made by American corporate chairmen and presidents to convince their managers that they are serious about quality. If labor and management are both held accountable for productivity and quality—if goals are reflected in wages and bonuses—the tide will turn. Management and labor must both have a stake in the outcome.

THE NEED FOR TECHNOLOGICAL AND PRODUCTIVITY RESURGENCE IN THE U.S.

During the past decade inflation camouflaged the economic stagnation of United States industry: The reported profits of 17.3 per cent a year were widely divergent from the real growth of 3.7 percent a year.[8]

The productivity lag has become a primary source of American economic malaise and the willingness and ability of the United States to address itself to this problem as part of a national policy can determine the economic future of the nation. James A. Skidmore Jr., Chairman and President of Science Management Corp. noted in 1979, "The productivity gap is the root cause of inflation, the weakening of the dollar abroad, unemployment, the loss of world markets, and our fall from first place in the standard of living and average personal income among the nations in the world."[9]

United States exploitation of American technology, however, could give the nation a decided productivity advantage. The problem lies in failing to implement the technology as fully as the Japanese or Germans. Drucker proposes a course of action which "would be to maximize knowledge jobs, encouraging automation and the shift from blue collar workers to white coated technicians, and easing the hardships of old blue collar workers by redundancy planning. The shift to knowledge-based manufacturing is the only way to expand employment in this country without causing inflation."[10]

For the United States to be reindustrialized and technology optimally implemented into the production process, America must capitalize on its technological leadership in computers, lazer, fiber optics, genetics and energy. It must maintain its paramount position in computer technology and implement computer directed production robots and other automated manufacturing processes.

The United States is a world leader in oil exploration, development of extraction equipment (both onshore and offshore) and in advance coal mining methods. The technologies associated with the exploration, location and development of new energy resources is related to both critical tasks of reindustrializing America and alleviating future energy problems.

NATIONAL INDUSTRIAL POLICY

The United States is faced wtih a host of economic problems which were insurmountable during the decade of the seventies. Despite a patchwork quilt of attempted remedies in the late 1970s, the problems lingered and worsened during 1978-1980. The development of a comprehensive national economic policy proved and continues to prove difficult in a society which responds to political pressures. As Scott has observed, "The major weakness of national planning lies in political control of the planning process. Politics dominates economics, even in the formulation of the options to be evaluated, let alone in the selection of one particular course to be followed."[11]

Government policies with regard to business could well determine the near-future economic course of history for the United States. Despite the recovery which commenced during the Spring of 1983, America is confronted wtih economic maladies which have been developing since the 1960s. For eighteen years American corporations have been increasingly falling behind their international competitors.

The 1970s government policies regarding business did not create jobs and increase productivity and efficiency; on the contrary, they acted as disincentives. Regulation of business became more complex and demanding during the seventies hindering corporate efforts to compete in both the American and world market place. At the same time, government's failure to recognize that the times and needs had shifted and that new government policies were essential prevented the consideration of alternative approaches apart from those which had been carved into stone for many decades.

In 1981, however, evidence of government's understanding of a mutually benenficial relationship between government and business started to appear. The Reagan government and its various antitrust agencies began to recognize the new economic realities. "The force driving this shift is the new economics of global competition, stagnating productivity, slow growth and high inflation. With strong foreign competitors, especially Japan and West Germany, now grabbing big shares of such domestic markets as autos, steel, electronics and chemicals, it is becoming clear that national boundaries no longer define the real competitive market in many industries. Thus, traditional antitrust measures of economic concentration in home markets no longer seem to apply."[12]

Accordingly, antitrust action by the Justice Department and by the Federal Trade Commission are abating. "**The starting point in the shift** we're seeing in antitrust is a changed public perception," notes Irving S. Shapiro, former chairman of E. I. du Pont de Nemours & Company. "There is a growing recognition that we need big business in many industries."[13]

The traditional government and business adversarial roles must evolve into a new cooperative partnership and **joint formulation of long-range** stategies if the United States is to halt its economic decline.

The real question now is whether research and planning for a national industrial policy will be given the time to reach fruitation, or whether the political structure will dominate the economic picture.

A CONCEPTUALIZATION FOR A JOINT GOVERNMENT-BUSINESS-LABOR INDUSTRIAL POLICY

In order for business to be better prepared to adapt to new environments and at the same time to improve the United States economic climate, a partnership is required to accommodate joint strategic planning. This partnership involves the cooperation of government, business, and labor. To expect one-third of this triumvirate to execute decisive and successful plans while at odds, or even without the cooperation of the other two natural partners, (not natural antagonists as has occurred so often in the past) is to assume a unidimensional approach doomed to failure.

THE ROLE OF GOVERNMENT

Up to this point only industry has made an attempt, on its own, to design strategic plans. The United States, throughout the 1970s, lacked both strategic planning and coherent national policy for industrial development. As Scott notes, however, "National economic planning is attracting increasing interest in the United States because of the disappointing performance of the American economy since 1970 and the poor results of government efforts to effect any improvement in economic conditions. Awareness is growing that the accepted tools of macroeconomic management (mainly fiscal and monetary policy) are inadequate to solve our problems, particularly those of simultaneous unemployment and inflation."[14]

In volatile economic times, amidst a technological revolution in many industries, a haphazard approach to economic stability and growth can only lead to disaster. A strategic planning partnership between government, business, and labor is essential. A national industrial policy means different things to different people. Some see it as supporting traditional industries, others see it as protecting the emerging technologies, and yet others see it as coordinating the diverse programs which are already in effect. **Extensive strategic development will be required** to accommodate these diverse views and to investigate additional avenues of approach.

In our call for a national industrial policy, we do not propose French coherence planning nor Japanese national planning as the first would not be applicable to the U.S. open economy and the latter would prove ineffective because **of our political system.**

What we do propose is joint strategic planning with government, business, and labor formulating a national industrial policy but without the government acting as a unilateral policymaker or regulator. The realism of politics and special interests is too great to desire government to be the sole policy maker. Government should **guide and coordinate;** business and labor should be a part of a joint planning body working toward a common strategic policy goal. To attempt to place **total emphasis** on government decision-making would lead to bureaucracy and probable the inability to anticipate and respond to change which is the backbone of any strategic plan.

The immediate direction for a joint industrial policy should be the development of programs which will foster long-range business strategies to meet the ongoing technological revolution, discourage short-term management goals, enhance labor input and productivity, and retrain workers from the declining traditional industries in order for them to participate in the new high technology work force. As an example, a strategic plan should be developed marrying the **liberal Reagan business depreciation allowances to corporate investment in new technologies.**

THE ROLE OF BUSINESS

The economic ship of a Twentieth Century industrialized nation cannot be guided through stormy waters by a faint singular beacon of light. There is no one simple solution. There **is no singular approach which** will alleviate a situation, existing for more than a decade, during which the nation has been allowed to meander in an economic maze. Short-term solution, stop-gap fighting fires will accomplish little or naught. The economic ills of American business will remain.

As Hayes and Abernathy note, "The responsibility for these problems may rest in part on government policies that either overconstrain or undersupport U. S. producers. But if our foreign critics are correct, the long-term solution of America's problems may not be correctable simply by changing our government's tax laws, monetary policies, and regulatory practices. It will also require some fundamental changes in management attitudes and practices."[15]

Managers will have to start thinking and acting more like their European and Japanese counter parts. "Managers should worry not only about present profit, but about profit potential. The development of potential for future change must be encouraged and rewarded more than short-term performance."[16]

Incentive programs should be introduced which encourage long-range risky, but well-planned and thoroughly thought-out decisions. Entrepreneurs and innovators should be encouraged and developed. Managers should be prepared for changes and know how to adapt to them when they occur in the economic, technological, political, and legal environments.

More recognition for the total picture by the executives responsible for corporate strategic planning is critical for the 1980s. Strategic planning should **not be a once-a-year occurrence.** It must be a flexible on-going process; evolving and responding to the environment in coordination with the strategic planning and joint national economic goals of the U. S. government, business, and labor.

Business strategic planning needs to be strengthened on the corporate level and supplemented on a broader than company basis in order to restore American business' competitive position and contribute to the economic well-being of the nation.

A JOINT ROLE

Neither a government industrial policy nor corporate business strategies will be sufficient to rebuild and sustain American business.

An alliance of government, business, and labor to develop joint strategic planning to meet a changing environment must be undertaken if success is to be achieved in revitalizing the state of American business and enhancing its ability to react to current and future environmental changes.

Table I illustrates the joint strategic planning approach needed to solve both the United States and business' economic problems. Joint areas of concern must be viewed from corporate strategic planning, reindustrialization, and national industrial policy perspectives when they effect and are affected by government, business, and labor. It is inappropriate and inadvisable, however, to develop joint strategic plans and a policy which are then set into concrete. Change is the focus of the times. Rigidity is the defeating mechanism. We must move with and not counter to the fluid economic, political, attitudinal, social, and cultural environments which surround and engulf us.

We have no quarrel with those who wish to shift items on the table, to add or to delete. Our aim is not to categorize or to present finite solution. We do not have all the answers; neither does anybody else. To claim omniscience is to defeat our purpose. Our goal is to present a framework and to emphasize the necessity of joint strategic planning and an integrated approach: A partnership of government, business, and labor; a network for business and United States economic revitalization.

TABLE 1
JOINT STRATEGIC PLANNING: A CONCEPTUAL FRAMEWORK FOR A JOINT NATIONAL INDUSTRIAL POLICY

	Corporate Strategic Planning	Reindustrialization	National Industrial Policy
Government	Technology Productivity Inflation Interest Rates Energy Foreign Trade	Technology Productivity Energy Government Debt Government Spending Foreign Trade	Taxes Technology Productivity Inflation Interest Rates Federal Deficit
Business	Technology Productivity Corporate Debt Foreign Trade	Technology Productivity Cost of Labor Foreign Trade Quality	Foreign Trade
Labor	Cost of Labor	Technology Productivity Cost of Labor Quality	Wage Agreements

FOOTNOTES

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7. **Business Week**, June 30, 1980, p. 81.
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12. Steve Lohr, "Antitrust: Big Business Breathes Easier," **The New York Times**,
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14. Bruce R. Scott, p. 131.
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Dr. Parket

Dr. Eisenberg

INDEXES OF SELECTED MISSISSIPPI ECONOMIC INDICATORS

[Seasonally Adjusted]

1969 = 100

Indicator	November 1983	October 1983	November 1982
Retail Sales	197.0	159.1	142.9
Electric Sales	208.4	215.1	207.7
Gasoline Gallonage	132.0	152.4	142.8
Loans of Savings & Loans Institutions	207.8	300.1	75.3

Using Futures to Hedge the Future

Even before the days of Julius Caesar, farmers planting a spring crop—and incurring the lion's share of their costs then—could help ensure their investment against adverse market price changes by forward pricing arrangements that guaranteed the harvest price for their crop. U.S. farmers and food processors have been able to do the same thing at the Chicago Mercantile Exchange for at least 125 years.

Similar arrangements for protecting against possible future adversity caused by natural or human disasters or by market turnarounds have long been available for many commodities—platinum and pork bellies, copper and coffee, silver and sugar.

If for commodities, why not for money? someone reasoned. So in the mid-1970s, financial futures contracts were added to the trading pits of several Chicago and New York exchanges. In this decade, stock index futures became part of a lengthy list of futures contracts. Most recently, options on stock indexes were introduced.

All of these new financial instruments have experienced dramatic growth. Their volume has outpaced the volume growth on the stock exchanges.

Hedging Interest Rate Shifts

The trading volume of financial futures, often called interest rate futures, grew from a miniscule amount in 1976 to nearly 23 million contracts in 1981. In that year, financial futures contracts, based on financial instruments whose price fluctuates with changes in interest rates represented 23% of the total futures market.

From 1979 to 1982, when interest rates were rising and volatile, financial futures were used extensively to hedge high rates and to avoid the uncertainty of fluctuating rates.

"Today's stable interest rate environment doesn't provide as much activity in financial futures as we had in the past couple of years," says Larry Geraghty, a vice president of Chicago-based ContiCommodity Services, Inc. "Falling interest rates aren't nearly the attraction that rising rates are." Nevertheless, there's a great deal of activity in the futures industry.

How an Interest Rate Hedge Works

Hedging can help you acquire capital for future use at an interest rate that is lower than the rate you anticipate will exist when the capital is actually needed. To illustrate, assume a corporate treasurer plans to issue $5 million in 90-day commerical paper in June to cover short-term inventory financing. In the preceding December, the interest rate on commercial paper is at 10.76% but is expected to increase significantly by June. The treasurer can lock in a lower rate by hedging his position with an interest rate futures contract. To do this, he goes short (sells) in an interest rate futures contract so he can purchase the contract in June at a profit.

Hedging Borrowing

(Locking in a lower rate for future borrowings)

Cash Transactions		Futures Contracts	
December			
Anticipates money needs of $5 million of commercial paper in June (current rate of 10.76%).		Sells $5 million in Treasury bills futures contracts of 10.4%. Price: $4,870,000	
June			
Sells $5 million in commercial paper at 13.26%.		Buys $5 million in Treasury bill futures to cover contract at 13.8%.	
Proceeds:	$4,834,250		
Interest cost	165,750	Cost:	$4,835,250
Less hedge profit:	(34,750)		
Net cost*	$131,000	Profit on hedge:	$34,750

This example does not consider commissions and the margin requirement or security deposit. In addition, it assumes a high correlation between the commercial paper debt and a Treasury bill. If the price correlation is not high, results might not be the same. The treasurer might consider adjusting the ratio of the hedge to achieve similar price protection, or he might decide that a different hedging instrument is more appropriate (e.g., a certificate-of-deposit futures contract).

Hedging can be especially helpful when a company intends to issue substantial debt, needs time to prepare for it and wants to reduce the risk of interest rate increases between the time the decision was reached and the issue date. Or a company might wish to finance a long-term project by rolling over short-term debt. If short-term rates were to rise in the future, the company could be stuck with an unprofitable project. Both of these companies could hedge by selling interest rate futures contracts.

*Effective interest rate on the transaction is 10.48%, approximately equal to the December rate.

New Entries in Futures

Product innovations in the futures industry have occurred almost monthly over the past two years. Futures contracts have been introduced based on the stock averages of the Value Line, Standard & Poor's and New York Stock Exchange indexes. The trading volume of these contracts has been in the 60,000 range daily for some time.

The newest futures entry is the options on stock indexes are just getting established," observes Frank Jones, former executive vice president for product development at the New York Stock Exchange and now a vice president of Kidder, Peabody, a leading brokerage. "The prospects for growth in this area are substantial, and product refinements and subsets of indexes are likely to be introduced," he adds.

Ahead for Futures

Obviously, users of these futures instruments find them useful for hedging possible adverse future events—the farmer protecting against a price decline, a corporate treasurer warding off higher interest rates, a portfolio manager betting on a rising stock market.

Recent volume growth in these instruments is a reflection of their greater use by commerical banks. But some of the anticipated use of futures contracts by pension fund managers and corporations that was expected in 1981 and 1982 didn't materialize. However, notes Geraghty, "these managers and corporations appear to be poised to use futures as soon as interest rates start moving up to the stock market begins a decline."

Hedging strategies for interest rates appear to be much more attractive when rates are rising. The bull market in stocks doesn't seem to invite as much activity as a downturn might, when investors will attempt to protect their positions. "Options on stock indexes are superior instruments because the user knows exactly what his exposure is and what his likely costs are—it's a limited risk with potentially unlimited profits," says Geraghty.

Despite the plethora of new futures products, the futures industry growth potential may not yet have reached its saturation point. "There are many people waiting in the wings, ready to get into the market once interest rates become more volatile or the stock market begins a dramatic decline," suggests Jones. "These people have been through dry runs and are not new to the market. Futhermore, these markets thrive on bad times."

Personal Viewpoint

Are any of these futures instruments for you? Says Mark Rachleff, C&L New York partner who specializes in the brokerage and banking industries, "Of course, you need to find the instrument that provide the best hedge for you—but you also need to address the financial and regulatory reporting and the income tax implications of gains and losses. Proper management and reporting systems are essential and should be in place before you actually begin trading."

SOURCE: Coopers & Lybrand Executive Alert Newsletter, December, 1983.

Notice The Face Lift?

We hope so because we worked hard on the changes. Our constant efforts continue to give our readers quality inside the cover, so why not strive for quality in its appearance!

Our thanks to Deanna Douglas, Associate Professor from the Art Department at MSU, for the fine drawing and for her suggestions regarding the front cover. We believe the cover is more eye-appealing.

The inside cover has undergone a change also. The Table of Contents was recently restructured and reduced. In the future, photographs of authors will follow their articles. Included, too, is an insert of instructions for submitting articles to the REVIEW.

We will appreciate your suggestions for further improvements. Just address your response to The Editor, MISSISSIPPI BUSINESS REVIEW, P.O. Box 5288, Mississippi State, Mississippi 39762.

NEW AND EXPANDED INDUSTRY

Town Firm Product	No. of Employees
NEW	
Oxford	
Outboard Marine Corp.	
Lawnmower Engines	125
Pontotoc	
Global Furniture Mfg. Co.	
Furniture	20
EXPANDED	
Booneville	
H & W Industries	
Plastic Pipe & Siding	50
Tupelo	
Olympic Products	
Polyurethane Foam	50

Catfish Processing

The U.S. domestic production of farm-raised catfish during November totaled 11.8 million pounds, an increase of 37 percent from November 1982. The November average price paid to growers was 62 cents per pound, 6 cents above November last year. Net pounds of processed fish sold during November totaled 5.92 million pounds, an increase of 32 percent from the comparable month in 1982. Ice pack sales were 57 percent of the total amount sold. The November average prices received by processors for whole fish were $1.43 per pound for ice pack and $1.49 for frozen fish. Freshwater imports during October totaled 631 thousand pounds.

Sales Indicated By Sales Tax Collections During November, 1983 By County (000's)

Source: State Tax Commission

County	Total Sales Tax Collections	Indicated Sales	County	Total Sales Tax Collections	Indicated Sales
Adams	1,911	43,999	Lowndes	1,758	43,949
Alcorn	850	22,958			
Amite	137	3,135	Madison	992	32,897
Attala	373	9,636	Marion	633	14,826
			Marshall	395	9,384
Benton	52	1,205	Monroe	732	19,366
Bolivar	824	20,241	Montgomery	248	5,991
Calhoun	263	8,407	Neshoba	423	10,618
Carroll	97	2,351	Newton	315	7,918
Chickasaw	296	6,965	Noxubee	178	4,694
Choctaw	102	2,421			
Claiborne	277	14,886	Oktibbeha	710	16,627
Clarke	217	5,902			
Clay	365	10,170	Panola	568	13,752
Coahoma	813	20,229	Pearl River	672	16,230
Copiah	348	8,061	Perry	323	16,436
Covington	448	10,758	Pike	1,104	25,454
			Pontotoc	321	8,340
DeSoto	812	23,840	Prentiss	403	10,489
Forrest	3,191	79,081	Quitman	147	3,428
Franklin	112	3,137			
			Rankin	1,832	54,618
George	222	5,142			
Greene	85	2,044	Scott	480	11,815
Grenada	575	15,209	Sharkey	165	3,717
			Simpson	439	10,513
Hancock	510	12,360	Smith	158	4,116
Harrison	4,353	125,566	Stone	185	4,202
Hinds	5,900	192,796	Sunflower	718	32,966
Holmes	365	9,000			
Humphreys	271	6,974	Tallahatchie	265	6,527
			Tate	366	8,880
Issaquena	10,000	305	Tippah	355	10,540
Itawamba	298	9,643	Tishomingo	332	9,811
			Tunica	145	3,545
Jackson	2,642	63,574			
Jasper	265	6,591	Union	366	9,360
Jefferson	85	2,133			
Jeff Davis	215	5,120	Walthall	190	4,532
Jones	2,245	54,935	Warren	1,662	38,022
			Washington	2,389	56,816
Kemper	92	1,959	Wayne	394	9,405
			Webster	147	3,509
Lafayette	620	13,980	Wilkinson	179	4,288
Lamar	379	9,047	Winston	300	7,288
Lauderdale	3,093	78,689			
Lawrence	156	3,479	Yalobusha	197	4,429
Leake	320	7,837	Yazoo	670	20,942
Lee	2,854	80,488			
Leflore	1,178	30,123			
Lincoln	787	20,072	State Total	54,859	1,742,637

Mississippi Agriculture Report
November, 1983

The November 15, 1983 Index of Prices received by Mississippi farmers for all commodities was up 4 points, (3 percent) at 123 percent of its January-December 1977 average.

Increases in cotton, rice and soybean prices was responsible for the 1 point (1 percent) rise in the All Crops Index leaving it at 116 percent of its January-December 1977 average.

Increases in beef cattle, calf, egg, broiler and milk prices were responsible for the 8 point (6 percent) rise in the Livestock Products Index leaving it at 132 percent of its January-December 1977 average.

The November ratio of prices received by Mississippi farmers to U.S. prices paid was 76 percent of its January-December 1977 average. The Index of Prices Paid by Farmers for Commodities, Services, Interest, Taxes and Farm Wage Rates for November was 162, up 1 point from mid-October.

PRICES RECEIVED AND PAID BY FARMERS—MISSISSIPPI

COMMODITY	UNIT	Nov 15 1982	Oct 15 1983 3/	Nov 15 1983
			Dollars	
PRICES RECEIVED				
Rice 4/	Cwt.	7.78	8.80	8.87
Sweet potatoes	Cwt.	5.70	10.50	11.50
Soybeans	Bu.	5.41	8.03	8.06
Cotton	Lb.	.601	.643	.661
Cottonseed	Ton	61.00	165.00	165.00
Hogs 4/	Cwt.	52.50	40.40	36.90
Cows	Cwt.	35.10	31.40	30.00
Steers & Heifers	Cwt.	54.50	49.10	53.10
Beef Cattle	Cwt.	40.50	37.50	37.90
Calves	Cwt.	55.60	52.70	58.70
Milk Cows 1/	Head	6/	960.00	6/
All Milk, Whsl.	Cwt.	14.70	14.80	14.90
Fluid	Cwt.	14.80	14.90	—
Mfg.	Cwt.	12.60	12.60	—
Comm. Broilers 2/	Lbs.	.265	.285	.320
Eggs	Doz.	.513	.662 5/	.665 5/
PRICES PAID FOR FEED				
Hog Feed, 14-18% Protein	Cwt.	10.00	12.50	13.00
Beef Cattle Concentrate, 32-36% Protein	Cwt.	10.50	13.00	13.50
Cottonseed Meal, 41% Protein	Cwt.	10.50	14.50	14.50
Soybean Meal, 44% Protein	Cwt.	12.00	15,50	15.00
Dairy Feed, 16% Protein	Ton	158.00	210.00	195.00
Chick Starter	Ton	177.00	210.00	215.00
Laying Feed	Ton	146.00	195.00	184.00
Broiler Grower	Ton	161.00	195.00	205.00

1/ Animals sold for dairy herd replacement only. 2/ Liveweight equivalent. 3/ Prices for rice, milk, soybeans, cotton and livestock relate to the average prices for all sales during the month. 4/ U.S. Price. 5/ Market (table) eggs, including eggs sold retail by producers. 6/ Prices published January, April, July and October.

SOURCE: Mississippi Crop and Livestock Reporting Service.

Financial Transactions, Regional and United States from Banks and S & L's, November, 1983.

$millions	NOV. 1983	OCT. 1983	NOV. 1982	ANN. % CHG.		NOV. 1983	OCT. 1983	NOV. 1982	ANN. % CHG.
UNITED STATES									
Commercial Bank Deposits	1,298,909	1,296,169	1,191,183	+ 9	Savings & Loans**				
Demand	298,864	307,622	302,058	− 1	Total Deposits	586,027	611,947	540,063	+ 9
NOW	82,970	82,865	65,046	+ 28	NOW	17,785	17,927	12,404	+ 43
Savings	344,646	346,078	153,992	+124	Savings	163,094	179,418	95,622	+ 71
Time	603,985	596,651	703,288	− 14	Time	424,395	417,960	433,517	− 2
Credit Union Deposits	60,557	60,902	51,741	+ 17		SEPT	AUG	SEPT	
Share Drafts	5,412	5,461	3,859	+ 40	Mortgages Outstanding	472,267	472,701	485,125	− 3
Savings & Time	49,834	50,054	43,340	+ 15	Mortgage Commitments	31,827	32,013	17,176	+ 85
SOUTHEAST									
Commercial Bank Deposits	146,684	146,524	127,260	+ 15	Savings & Loans				
Demand	34,474	35,595	34,120	+ 1	Total Deposits	N.A.	N.A.	N.A.	
NOW	10,641	10,598	8,439	+ 26	NOW	N.A.	N.A.	N.A.	
Savings	38,619	38,247	15,153	+155	Savings	N.A.	N.A.	N.A.	
Time	66,159	65,946	72,541	− 9	Time	N.A.	N.A.	N.A.	−
Credit Union Deposits	5,933	5,946	4,927	+ 20		SEPT	AUG	SEPT	
Share Drafts	474	483	360	+ 32	Mortgages Outstanding	67,455	66,728	68,393	− 2
Savings & Time	5,066	5,063	4,157	+ 22	Mortgage Commitments	5,142	5,007	2,894	+ 77
ALABAMA									
Commercial Bank Deposits	15,388	15,333	14,056	+ 9	Savings & Loans**				
Demand	3,642	3,734	3,537	+ 3	Total Deposits	5,144	5,158	4,530	+ 14
NOW	966	957	736	+ 31	NOW	141	146	106	+ 33
Savings	3,160	3,141	1,611	+ 96	Savings	864	875	569	+ 52
Time	8,054	8,066	8,623	− 7	Time	4,186	4,182	3,908	+ 7
Credit Union Deposits	911	914	874	+ 4		SEPT	AUG	SEPT	
Share Drafts	84	87	70	+ 20	Mortgages Outstanding	3,712	3,704	3,787	− 2
Savings & Time	783	780	729	+ 7	Mortgage Commitments	272	257	46	+491
FLORIDA									
Commercial Bank Deposits	51,416	51,173	41,464	+ 24	Savings & Loans**				
Demand	11,951	12,418	11,793	+ 1	Total Deposits	53,379	53,070	48,108	+ 11
NOW	4,395	4,405	3,686	+ 19	NOW	2,029	2,033	1,335	+ 52
Savings	17,882	17,598	6,420	+179	Savings	15,337	15,647	8,065	+ 90
Time	18,041	17,864	20,431	− 12	Time	36,406	35,725	38,758	− 6
Credit Union Deposits	2,604	2,602	2,206	+ 18		SEPT	AUG	SEPT	
Share Drafts	240	242	193	+ 24	Mortgages Outstanding	39,988	38,386	40,204	− 1
Savings & Time	2,067	2,057	1,719	+ 20	Mortgage Commitments	3,468	3,329	2,313	+ 49
GEORGIA									
Commercial Bank Deposits	21,347	21,372	18,054	+ 18	Savings & Loans				
Demand	6,732	6,959	6,285	+ 7	Total Deposits	N.A.	N.A.	N.A.	
NOW	1,461	1,426	1,230	+ 19	NOW	N.A.	N.A.	N.A.	
Savings	4,815	4,770	1,705	+182	Savings	N.A.	N.A.	N.A.	
Time	*9,382*	*9,330*	*9,728*	− 4	Time	N.A.	N.A.	N.A.	
Credit Union Deposits	1,334	1,352	906	+ 47		SEPT	AUG	SEPT	
Share Drafts	68	72	39	+74	Mortgages Outstanding	8,212	8,156	8,881	− 8
Savings & Time	1,191	1,203	814	+ 46	Mortgage Commitments	503	533	188	+167
LOUISIANA									
Commercial Bank Deposits	24,868	24,903	23,096	+ 8	Savings & Loans**				
Demand	5,661	5,734	5,890	− 4	Total Deposits	8,929	8,883	8,033	+ 11
NOW	1,383	1,373	1,144	+ 21	NOW	190	190	127	+ 50
Savings	5,361	5,317	2,469	+117	Savings	2,408	2,403	1,268	+ 90
Time	12,967	13,007	14,068	− 8	Time	6,407	6,374	6,665	− 4
Credit Union Deposits	201	199	164	+ 23		SEPT	AUG	SEPT	
Share Drafts	23	23	11	+109	Mortgages Outstanding	7,730	7,723	7,386	+ 4
Savings & Time	194	194	155	+ 25	Mortgage Commitments	620	623	198	+213
MISSISSIPPI									
Commercial Bank Deposits	11,529	11,484	10,544	+ 9	Savings & Loans**				
Demand	2,287	2,398	2,311	− 1	Total Deposits	2,527	2,543	2,420	+ 4
N O W	777	785	609	+ 28	NOW	92	92	63	+ 46
Savings	2,440	2,420	763	+220	Savings	409	506	241	+107
Time	6,279	6,223	7,066	− 11	Time	1,960	1,976	2,138	− 8
Credit Union Deposits	*	*	*			SEPT	AUG	SEPT	
Share Drafts	*	*	*		Mortgages Outstanding	2,051	2,020	2,144	− 5
Savings & Time	*	*	*		Mortgage Commitments	57	55	19	+200
TENNESSEE									
Commercial Bank Deposits	22,136	22,259	20,045	+ 10	Savings & Loans**				
Demand	4,201	4,352	4,304	− 2	Total Deposits	7,333	7,303	6,543	+ 12
NOW	1,659	1,652	1,034	+ 60	NOW	213	210	122	+ 75
Savings	4,961	5,001	2,185	+127	Savings	1,526	1,545	710	+115
Time	11 436	11,446	12,625	− 9	Time	5,636	5,603	5,723	− 2
Credit Union Deposits	883	879	777	+ 14		SEPT	AUG	SEPT	
Share Drafts	59	59	47	+ 26	Mortgages Outstanding	5,762	5,739	5,992	− 4
Savings & Time	831	829	740	+12	Mortgage Commitments	222	210	130	+ 70

Notes: All deposit data are extracted from the Federal Reserve Report of Transaction Account, other Deposits and Vault Cash (FR2900), and are reported for the average of the week ending the 1st Wednesday of the month. This data, reported by institutions with over $15 million in deposits as of December 31, 1979, represents 95% of deposits in the six state area. The major differences between this report and the "call report" are size, the treatment of interbank deposits, and the treatment of float. The data generated from the Report of Transaction Accounts is for banks over $15 million in deposits as of December 31, 1979. The total deposit data generated from the Report of Transaction Accounts eliminates interbank deposits by reporting the net deposits "due to" and "due from" other depository institutions. The Report of Transaction Accounts subtracts cash in process of collection from demand deposits, while the call report does not. Savings and loan mortgage data are from the Federal Home Loan Bank Board Selected Balance Sheet Data. The Southeast data represent the total of the six states. Subcategories were chosen on a selective basis and do not add to total.

* = fewer than four institutions reporting.

** = S&L deposits subject to revisions due to reporting changes.

N.A. = not available at this time.

SOURCE: Federal Reserve Bank of Atlanta, Southeastern Economic Insight. December 15, 1983.

Southeast Regional Economic Indicators

	NONFARM EMPLOYMENT thousands			UNEMPLOYMENT RATE percent			PLANE PASSENGER ARRIVALS thousands		
	Sept. 1983	Aug. 1983	Annual % Change	Sept. 1983	Aug. 1983	Annual	Sept. 1983	Aug. 1983	Annual % Change
ALABAMA	1,312.0	1,311.6	+ 0	12.2	12.3	14.8	105.9	115.9	+ 10
Birmingham	341.3	344.9	+ 3	12.1	11.6	15.4	49.2	54.4	+ 8
Huntsville	144.3	143.6	+ 7	8.9	8.9	11.9	22.0	22.6	+ 11
Mobile	168.8	172.0	+ 1	14.3	14.7	14.9	20.9	22.6	+ 10
Montgomery	112.6	112.7	+ 1	10.4	10.3	11.6	13.8	16.3	+ 15
FLORIDA	3,882.5	3,786.5	+ 5	8.1	8.2	8.2	*n.a.	2,066.1	——
Daytona Beach	83.1	83.3	+ 2	6.6	6.1	6.1	16.2	20.2	+ 10
Ft. Lauderdale	366.2	354.5	+ 3	6.4	6.7	6.7	161.7	196.1	+ 6
Jacksonville	316.5	304.7	+ 3	7.6	7.2	6.8	80.0	101.8	+ 5
Melbourne	115.0	114.0	+ 6	7.6	7.3	7.4	21.4	27.5	+ 53
Miami	734.1	721.6	+ 1	9.1	9.2	9.6	*	906.5	——
Orlando	337.2	324.7	+ 5	6.8	6.5	6.7	*	326.6	——
Sarasota	77.8	77.5	+ 6	5.7	5.2	7.1	38.3	48.5	− 39
Tallahassee	74.9	74.9	− 1	4.6	4.7	4.3	23.5	25.2	+ 12
Tampa-St. Pete	602.5	589.5	+ 3	6.4	6.8	7.3	249.8	295.5	+ 9
West Palm Beach	223.3	218.7	+ 3	9.3	10.2	8.7	193.6	118.2	+ 126
GEORGIA	2,267.3	2,236.7	+ 3	7.0	7.0	7.6	1,446.2	1,649.2	+ 9
Atlanta	1,037.2	1,023.5	+ 2	6.1	6.0	6.4	1,394.1	1,592.1	+ 11
Augusta	123.7	122.2	+ 1	9.1	8.6	9.2	12.2	14.1	+ 20
Columbus	79.9	81.1	+ 3	8.4	7.8	9.1	8.0	7.9	+ 40
Macon	99.8	98.9	+ 1	7.8	7.3	7.2	4.4	5.1	+ 4
Savannah	87.8	87.9	− 1	8.5	8.4	7.9	27.5	30.0	+ 9
LOUISIANA	1,585.9	1,573.2	− 1	11.6	12.2	11.2	241.6	279.3	+ 3
Baton Rouge	209.6	204.7	+ 1	9.6	10.5	10.0	23.2	25.6	+ 17
New Orleans	502.6	501.7	− 3	10.5	11.0	10.2	218.4	253.7	+ 1
MISSISSIPPI	794.8	776.8	0	11.3	12.4	10.8	32.0	38.4	+ 10
Biloxi-Gulfport	61.8	61.6	+ 1	12.5	12.7	9.4	6.4	6.0	+ 3
Jackson	146.7	143.6	+ 1	7.6	8.3	7.5	25.6	32.4	+ 9
TENNESSEE	1,704.1	1,681.1	+ 1	9.3	10.0	11.3	146.4	161.5	+ 4
Chattanooga	164.8	161.7	+ 1	8.5	8.8	9.4	17.7	19.5	+ 33
Knoxville	201.3	200.0	− 2	8.7	9.3	8.6	34.1	37.7	+ 1
Nashville	362.9	359.8	− 1	6.9	7.1	8.3	94.6	104.2	+ 6

	NONRESIDENTIAL BUILDING PERMITS Millions $, 12-mo. Rate			RESIDENTIAL SINGLE-FAMILY BUILDING PERMITS No. of units, 12-mo. Rate			RESIDENTIAL MULTI-FAMILY BUILDING PERMITS No. of units, 12-mo. Rate		
	Sept. 1983	Aug. 1983	Annual % Change	Sept. 1983	Aug. 1983	Sept. 1982	Sept. 1983	Aug. 1983	Annual % Change
ALABAMA	430.2	424.9	+ 7	7,695	7,645	+ 92	6,764	6,957	+ 81
Birmingham	172.1	157.1	+ 36	1,722	1,702	+ 58	1,455	1,062	+ 147
Huntsville	57.0	59.3	+ 14	1,593	1,596	+ 154	2,237	2,375	+ 212
Mobile	62.2	62.2	+ 55	888	888	+ 91	744	824	+ 62
Montgomery	34.7	31.4	− 6	-	-	-	-	-	-
FLORIDA	3,875.1	3,742.9	+ 26	92,295	89,017	+ 83	81,178	76,228	+ 64
Daytona Beach	81.1	84.2	+ 26	3,683	3,531	+ 94	942	1,050	− 35
Ft. Lauderdale	376.1	362.5	+ 27	3,753	3,552	+ 111	8,970	8,380	+ 30
Jacksonville	345.2	333.5	+ 114	5,448	5,302	+ 97	4,750	4,653	+ 131
Melbourne	117.3	107.7	+ 51	3,967	3,785	+ 87	2,335	1,888	+ 69
Miami	563.9	542.2	+ 24	4,607	4,397	+ 173	8,027	8,017	+ 49
Orlando	490.7	472.9	+ 12	11,952	10,952	+ 91	7,188	6,477	+ 115
Sarasota	78.7	78.8	+ 10	2,598	2,569	+ 76	1,896	1,869	+ 53
Tallahassee	27.7	28.8	− 4	1,890	1,895	+ 78	1,069	1,059	+ 15
Tampa-St. Pete	626.3	586.7	+ 35	14,998	14,244	+ 87	12,768	12,281	+ 81
West Palm Beach	314.7	302.6	− 5	8,666	8,280	+ 106	7,699	7,669	+ 93
GEORGIA	1,232.6	1,186.1	+ 24	39,776	38,977	+ 78	22,349	22,307	+ 112
Atlanta	845.4	800.0	+ 22	27,043	26,326	+ 85	13,216	12,349	+ 116
Augusta	46.6	46.3	+ 13	2,314	2,154	+ 140	1,118	1,108	+ 73
Columbus	32.1	31.6	− 9	528	514	+ 122	909	757	+ 153
Macon	38.2	37.4	+	-	-	-	-	-	− 1
Savannah	57.1	54.0	+ 1	-	-	-	-	-	− 2
LOUISIANA	1,209.0	1,162.6	+ 38	16,603	16,615	+ 69	14,390	13,710	+ 79
Baton Rouge	243.5	235.9	+ 110	3,771	3,681	+ 133	3,227	2,820	+ 51
New Orleans	454.1	443.0	+ 48	6,209	6,079	+ 102	5,777	5,604	+ 171
MISSISSIPPI	190.0	185.7	+ 14	4,658	4,525	+ 48	3,837	3,028	+ 83
Biloxi-Gulfport	24.7	24.7	-	-	-	-	-	-	− 4
Jackson	42.0	40.6	− 20	736	717	+ 137	408	283	+ 3
TENNESSEE	742.4	751.7	+ 10	13,226	12,911	+ 102	14,223	12,065	+ 126
Chattanooga	57.2	58.2	− 11	1,010	978	+ 65	757	745	+ 56
Knoxville	126.2	123.9	+ 20	1,474	1,403	+ 58	576	724	− 67
Nashville	228.9	220.7	+ 33	3,838	3,776	+ 144	6,257	6,028	+ 277

Notes: Labor Force data from Bureau of Labor of Statistics Reports supplied by state agencies. Plane Passenger Arrivals are collected from 26 airports. Building Permit data are supplied by the U.S. Bureau of the Census. Nonresidential data excludes the cost of construction for publicly owned buildings. The annual percent change calculation is based on the most recent month over prior year.

* - August data not available.

SOURCE: Federal Land Bank of Atlanta, Southeastern Economic Insight, December 1, 1983.

STATE ECONOMIC INDICATORS

Indicator	November 1983[1]	October 1983[2]	November 1982[2]	Per Cent One Month Ago[3]	Change One Year Ago[3]
EMPLOYMENT, EARNINGS AND HOURS[4]					
Total Employment	933,900	947,800	938,600	—1.5	0.5
Non-Ag Employment	798,800	799,300	793,500	—0.5	5.3
Mining	11,200	11,100	11,600	0.1	—0.4
Contract Construction	37,900	38,700	40,900	—0.8	—3.0
Manufacturing	207,000	207,300	198,900	—0.3	8.1
Transportation and Public Utilities	39,400	39,500	40,100	—0.1	—0.7
Wholesale and Retail Trade	164,500	163,100	163,700	1.4	0.8
Finance, Insurance and Real Estate	33,100	33,100	32,900	—0—	0.2
Service	124,200	124,200	123,700	—0—	0.5
Government	181,600	182,100	181,700	—0.5	—0.1
Unemployment Rate (Per Cent Labor Force)	11.2	12.1	12.1	——	——
Average Weekly Earnings in Manufacturing (Dollars)	278.80	276.76	252.84	0.7	10.3
Average Hourly Earnings in Manufacturing (Dollars)	6.85	6.80	6.45	0.7	6.2
Average Weekly Hours in Manufacturing	40.7	40.7	39.2	—0—	3.8
PRODUCTION (000's)					
Petroleum Production					
Production of Crude Petroleum (bbls.)[5]	2,622	2,367	2,824	10.8	7.2
Gasoline Delivered to Dealers (gals.)[6]	106,004	114,676	116,214	—7.6	—8.8
BANKING AND FINANCE (000's)					
Loans of Savings and Loan Associations[7]	32,749	48,423	11,490	—32.4	185.0
Construction Loans	21,929	18,630	55,000	17.7	—60.1
PUBLIC UTILITIES					
Sales of Electricity (000's KWH)[8]	1,661,139	1,786,573	1,640,910	—7.0	1.2
RETAIL SALES (000's)[9]	183,328,090	176,744,090*	1,350,889	3.7	134.7

Indicator	August 1983	July 1983	August 1982	Per Cent One Month Ago	Change One Year Ago
AGRICULTURE (000's)[10]					
Total Cash Receipts from Farm Marketings	103,454	93,142	95,864	11.1	8.0
Cash Receipts from Marketing Livestock	98,628	77,715	78,359	27.0	25.9
Cash Receipts from Marketing Crops	4,826	15,427	17,505	—68.7	72.4

[1]Preliminary

[2]Revised

[3]Percent change calculated with revised figures; not comparable with previously published data.

[4]Mississippi Employment Security Commission

[5]State Oil and Gas Board for July

[6]Mississippi Motor Vehicle Comptroller

[7]Federal Home Loan Bank of Dallas (Formerly of Little Rock)

[8]Mississippi Power Company, Mississippi Power and Light Company. Tennessee Valley Authority figures not available

[9]Mississippi Tax Commission *Corrected figure for month of October.

[10]U.S. Department of Agriculture

BUSINESS ACTIVITY BY CITY

	City Sales Tax Collections			Building Permits		
	Current Month Nov.	PerCent Month Ago	Change Year Ago	Current Month Nov.	Month Ago	Year Ago
Aberdeen	49,189	3.7	16.6	——	——	——
Baldwyn	30,828	37.7	49.1	——	——	——
Batesville	54,000	—10.5	—8.6	376,500	1,237,130	412,245
Bay Springs	19,453	—8.3	—1.5	——	——	——
Bay St. Louis	35,409	—14.6	0.5	——	——	——
Belmont	9,379	—11.8	5.5	——	——	——
Belzoni	32,423	9.9	5.1	3,000	16,000	4,400
Biloxi	282,354	—3.1	5.0	626,907	1,332,975	685,923
Brandon	41,475	—3.1	11.7	——	——	——
Brookhaven	120,668	1.2	10.3	49,300	376,200	300,000
Brooksville	2,714	0.7	21.8	——	——	——
Canton	66,313	6.3	13.1	——	——	——
Carthage	44,265	6.1	20.8	——	——	——
Charleston	21,478	30.0	45.7	——	——	——
Clarksdale	112,096	—10.1	—4.0	205,300	268,200	180,800
Cleveland	101,957	—12.6	7.4	——	——	——
Collins	38,495	30.0	—15.4	——	——	——
Columbia	93,049	—0—	3.7	——	——	——
Columbus	245,197	—6.0	12.6	——	——	——
Corinth	113,614	—3.3	—0.1	95,500	481,600	180,985
Crystal Springs	21,965	—2.3	—11.1	11,000	137,471	96,000
Drew	11,548	29.0	5.9	——	——	——
Edwards	4,597	—5.0	41.5	——	——	——
Ellisville	14,657	—1.7	—14.4	——	——	——
Eupora	16,215	—0.8	—6.0	——	——	——
Fayette	10,114	—5.3	—27.0	——	——	——
Forest	50,781	—5.4	—2.1	63,000	151,000	296,500
Greenville	245,603	—38.4	7.4	——	——	——
Greenwood	154,206	2.0	2.3	132,000	203,400	593,100
Grenada	90,593	—0.4	11.5	145,000	181,000	82,000
Gulfport	290,367	—7.4	9.0	2,081,991	1,259,285	——
Hattiesburg	390,197	—26.0	14.6	1,496,436	5,858,655	739,564
Hernando	20,842	—23.4	—15.2	——	——	——
Hollandale	13,601	1.6	6.1	——	——	——
Holly Springs	47,837	12.5	19.0			
Houston	35,515	2.4	12.6	——	——	——
Indianola	58,744	9.3	—17.7	——	——	——
Iuka	26,163	2.1	—2.0	——	——	——
Jackson	1,479,331	—7.0	7.6	——	——	——
Kosciusko	57,624	5.5	0.5	——	——	——
Laurel	284,724	18.2	—0.4	273,276	700,436	402,204
Leland	20,082	—18.2	—12.7	189,769	——	18,530
Lexington	22,730	26.1	6.1	——	——	——
Louisville	48,550	9.4	19.8	——	——	——
Lucedale	32,147	2.3	6.9	4,750	80,000	40,000
Lumberton	8,066	—7.7	—2.9	——	——	——
Macon	18,153	7.1	13.0	——	——	——
Magee	45,746	—2.7	11.9	——	——	——
Magnolia	8,741	—16.0	15.3	9,500	24,300	—0—
Marks	16,201	—18.6	2.5	——	——	——
McComb	131,672	—4.5	6.5	315,577	153,130	47,500
Meadville	5,315	—11.1	11.2	50,000	136,987	40,000
Mendenhall	19,887	—2.0	—0.7	——	2,500	3,200
Meridian	392,325	—30.2	16.5	——	——	——
Monticello	20,091	6.5	7.9	35,000	62,100	69,000
Morton	20,063	12.1	3.3	——	——	——
Moss Point	51,335	—5.8	2.0	——	——	——
Natchez	227,388	—26.7	—1.6	162,575	53,801	208,095
New Albany	58,068	—5.8	3.5	239,000	100,455	77,802
Newton	24,893	—9.5	2.0	——	——	——
Ocean Springs	74,454	6.1	—0.1	——	——	——
Okolona	13,963	3.9	6.5	——	——	——
Oxford	90,166	—11.3	4.7	962,223	1,413,075	119,200
Pascagoula	186,519	—0—	—5.7	582,147	390,156	337,458
Pass Christian	13,571	—1.8	0.6	——	——	——
Philadelphia	61,757	—13.2	14.2	——	——	——

BUSINESS ACTIVITY BY CITY

	City Sales Tax Collections			Building Permits		
	Current Month Nov.	PerCent Month Ago	Change Year Ago	Current Month Nov.	Month Ago	Year Ago
Picayune	94,021	12.5	15.1	471,000	590,000	356,000
Pontotoc	45,144	5.9	8.4	——	——	——
Poplarville	18,371	18.7	13.2	——	——	——
Port Gibson	14,982	—0—	11.1	——	——	——
Prentiss	21,803	—3.9	4.1	74,800	—0—	—0—
Quitman	24,095	—0.9	19.4	——	——	——
Raymond	4,493	—7.2	—1.5	——	——	——
Richton	10,910	9.7	5.4	——	——	——
Rosedale	8,237	22.2	—7.8	——	——	——
Ruleville	12,832	10.8	1.8	——	——	——
Sardis	18,942	7.9	18.0	2,000	—0—	11,000
Senatobia	50,468	—0.1	13.9	92,500	441,000	33,000
Shelby	9,945	—12.9	2.7	——	——	——
Starkville	104,290	—12.9	—3.4	——	——	——
Summit	10,790	1.6	—10.1	——	——	——
Taylorsville	12,226	0.8	—2.9	——	——	——
Tchula	5,452	85.0	30.9	——	——	——
Tunica	15,252	—30.7	—2.7	——	——	——
Tupelo	341,712	—22.8	14.6	——	——	——
Union	12,455	—17.1	—4.7	——	——	——
Utica	9,253	14.0	10.8	——	——	——
Vicksburg	181,550	39.7	1.6	——	——	——
Walnut Grove	1,235	—27.8	78.7	——	——	——
Water Valley	24,949	1.0	14.9	215,000	74,000	10,300
Waynesboro	54,952	—0.3	—16.9	——	——	——
West Point	56,305	—5.8	8.0	——	——	——
Wiggins	24,634	5.2	9.0	——	——	——
Winona	34,024	11.5	11.9	——	——	——
Yazoo City	72,320	14.0	5.0	——	——	——

STANDARD METROPOLITAN STATISTICAL AREAS

JACKSON [Hinds and Rankin Counties]	November 1983	October 1983	November 1982	Per Cent Month Ago	Change Year Ago
MANPOWER DATA					
Civilian Labor Force	158,100	159,500	161,800	—0.9	—2.3
Unemployed Persons	10,800	11,700	12,500	—7.7	—13.6
Per Cent of Labor Force	6.8	7.3	7.7	——	——
Employed Persons	147,300	147,800	149,300	—0.3	—1.3
Non-Ag Wage & Salaries	126,300	126,000	126,400	0.2	—1.6
Manufacturing	19,600	19,600	19,300	—0—	1.5
CITY SALES TAX COLLECTIONS	1,539,149	1,652,478	1,428,584	—6.9	7.7

BILOXI-GULFPORT [Hancock, Harrison and Stone Counties]	November 1983	October 1983	November 1982	Per Cent Month Ago	Change Year Ago
MANPOWER DATA					
Civilian Labor Force	68,630	69,560	69,110	—1.3	—0.7
Unemployed Persons	7,940	8,730	7,180	—9.0	10.6
Per Cent of Labor Force	11.6	12.6	10.4	——	——
Employed Persons	60,690	60,830	61,930	—0.2	—2.0
Non-Ag Wage & Salaries	51,110	51,040	52,380	0.1	—2.4
Manufacturing	9,170	9,190	9,130	—0.2	0.4
CITY SALES TAX COLLECTIONS	586,292	619,014	548,921	—5.3	6.8

Sales Indicated By Sales Tax Collections During Fiscal Year, July 1, 1982-June 30, 1983, by County (000's)

SOURCE: State Tax Commission

County	Sales Tax Collections	Indicated Sales
Adams	16,996	398,978
Alcorn	10,737	306,788
Amite	1,502	34,954
Attala	4,169	110,219
Benton	623	14,305
Bolivar	9,665	241,483
Calhoun	2,833	69,952
Carroll	1,110	27,734
Chickasaw	3,528	86,863
Choctaw	1,145	27,004
Claiborne	4,843	257,063
Clarke	2,425	60,947
Clay	4,002	114,657
Coahoma	9,455	241,399
Copiah	4,490	105,927
Covington	5,180	116,385
DeSoto	9,365	247,345
Forrest	27,363	742,396
Franklin	1,119	28,861
George	2,762	63,314
Greene	974	21,303
Grenada	6,571	180,734
Hancock	6,998	183,320
Harrison	51,300	1,322,696
Hinds	109,611	3,138,501
Holmes	3,674	85,684
Humphreys	2,898	72,473
Issaquena	313	11,065
Itawamba	3,805	113,808
Jackson	32,467	986,352
Jasper	3,168	73,155
Jefferson	884	20,603
Jeff Davis	2,301	54,895
Jones	25,675	615,520
Kemper	1,115	25,209
Lafayette	6,675	155,619
Lamar	4,024	104,016
Lauderdale	27,706	730,839
Lawrence	1,879	43,818
Leake	3,256	76,864
Lee	25,960	844,192
Leflore	12,600	324,545
Lincoln	9,339	243,503
Lowndes	19,264	486,262
Madison	10,048	312,417
Marion	8,000	186,928
Marshall	4,300	98,941
Monroe	8,640	232,110
Montgomery	2,615	61,720
Neshoba	5,173	134,399
Newton	3,751	91,900
Noxubee	1,920	49,957
Oktibbeha	7,836	178,119
Panola	6,719	167,311
Pearl River	7,875	208,237
Perry	2,889	132,287
Pike	12,520	288,187
Pontotoc	3,184	77,028
Prentiss	4,162	109,542
Quitman	1,850	45,131
Rankin	20,298	609,532
Scott	5,448	135,651
Sharkey	1,650	37,965
Simpson	5,115	123,680
Smith	1,643	40,803
Stone	2,161	49,819
Sunflower	6,925	367,403
Tallahatchie	2,603	61,248
Tate	3,817	93,155
Tippah	3,698	137,612
Tishomingo	3,808	111,548
Tunica	1,695	40,924
Union	4,127	110,194
Walthall	2,317	54,508
Warren	15,184	359,547
Washington	20,877	529,474
Wayne	4,837	107,816
Webster	1,646	39,483
Wilkinson	2,074	52,576
Winston	3,792	88,869
Yalobusha	2,376	57,084
Yazoo	7,202	214,644
Wholesale	58,042	4,364,907
Retail	687,033	16,099,391
State Total	745,312	20,488,007